



GREAT STREETS
GREAT BUSINESS

2016

Market Summary

CD 8
Crenshaw Blvd

Introduction

The **Great Streets Initiative** was launched for the purpose of re-imagining neighborhood centers throughout the City of Los Angeles, one street at a time. The streets initially selected, and those that will be subsequently included, are geographic corridors along the street, and not the entirety of the thoroughfare. Critical to the Initiative is the phrase *re-imagining neighborhood centers*. The program intent is not to merely to work with stakeholders to rent or sell available real estate; rather, to take the existing environment, add some new elements where viable, ultimately creating more engaging and successful places where residents and visitors congregate – *neighborhood centers*. To this end retail outlets, and food/beverage establishments are paramount, with clusters of nodes/hubs created that include 5-7 varied businesses whose attraction appeal is greater than any one business could generate on its' own.

Great Business

The purpose of the subject component of the **Great Streets Great Businesses** element of the **Great Streets Initiative** is an assessment whereby the market potential for retail outlets and food/beverage establishments is measured. This is a statistical analysis, with 2010 census numbers as a data base, 2016 data estimated, and 2019, 2021, and 2026 data projected.

The principal markets for *neighborhood* centers are residents. For purposes of this market analysis these primary markets have been defined as people who reside within one (1), three (3) and five (5) mile rings of approximately the center block of the street corridor being studied.

Market assessments for retail and food/beverage outlets can cover a range of depths, from surface level population and demographic statistics to full blown analyses that not only measure demand and supply, but include an array of factors that could enhance the attraction appeal of an area or property for a specific tenant type. The analysis contained herein has sufficient depth to paint broad swatches, but not enough information to seal the deal with a particular tenant. The later will happen during the new business recruitment phase of the project, and by providing one-on-one consulting assistance to existing businesses that have the potential to be part of a *neighborhood* center node/hub.

This assessment is based primarily on data obtained from the leader in commercial real estate demographics, STDB.com (Site To Do Business). Through this site a member has access to:

- *ersi*
- *ArcGIS*
- *DatabaseUSA*
- Plus two (2) custom applications – *Express Center and Commercial Search*

Express Search

Express Search has been used to create the reports that form the base of this market assessment. The reports include:

- **Appraisal Specialty Report**
 - Demographic and Income Profile
 - Market Profile
 - Tapestry
- **Retail Specialty Report**
 - Demographic and Income Profile
 - Housing Profile
 - Retail Marketplace
 - Tapestry
- **Restaurant Specialty Report** (*statistical data not used in assessment*)
 - Demographic and Income Profile
 - Restaurant Market Potential
 - Retail Marketplace
 - Tapestry

Data Collection

For each report this information was obtained:

- A block along the subject *Great Street* that represented approximately the center was selected. This block was given an address.
- Data was collected for one (1), three (3) and five (5) mile rings from this central block.
- Created from this approach are nine (9) reports, three (3) for each of the aforementioned subjects – Appraisal, Retail and Restaurant. These reports are found in appendices sections 2-10, respectively.

Population & Demographics

Key data was extracted from the reports and is presented in summary form in Tables 1 and 2, located in appendix section 1. Table 1 presents 2010 census data population, estimates for 2016, and projections for 2019, 2021 and 2026. The same type of information is presented for households and income. Median disposable income is shown for 2016, for three (3) mile and five (5) mile rings. Employed population for those 16+ is also shown for 2016, by industry.

Retail & Restaurant Leakage

Table 2.1 contains a retail and restaurant leakage assessment for the one (1) mile, and Table 2.2 for three (3) mile ring areas. Shown is the relationship between estimated 2016 expenditures (demand) by residents of the designated area, and corresponding sales (supply) by businesses located therein. Text references to these statistics are mostly in a historical context (were or was versus are or is) because this report is written near the end of the estimate period (2016). [Note – a deviation of 5% one way or the other is not considered leakage/oversupply. This type of analysis is based on the premise that the nearby residents represent the greatest potential for expenditures at local retail and food/beverage outlets, and their money is the easiest to capture with the right kind of projects – in this case neighborhood nodes/hubs that will be created and/or enhanced along Great Streets. At a glance one can see in Table 2 those categories where there is leakage, and the dollar/percentage amount. Contrarily, the data also shows the dollar amount of expenditures made by residents beyond the designated rings.

For this the retail segment in this corridor, within the three (3) mile ring, there was a combined \$683 million leakage. The comparable number for food and drink was \$38 million. The picture changes somewhat in the five (5) mile ring. While there is leakage in eight (8) retail categories, in the overall market, supply exceeded demand by \$111 million. For food and drink, supply exceeded demand in all categories, for a combined total of \$48 million.

Retail & Restaurant Leakage (cont.)

While this data shows the statistical relationship between demand (estimated expenditures by residents within one (1) mile and three (3) mile rings) and supply (estimated gross revenue by businesses located within the same rings) there is not, nor is there intended to be, a value comparison. This requires knowing the environment (existing and planned) of the primary commercial corridor(s) that transcend each of rings. This is the subject of the recruitment process, which is another component of the Great Streets Great Businesses program.

The STRD reports used in this analysis contain considerably more information than is summarized here. Consequently, they are considered critical components of the market assessments, not merely data sources from which statistics are extracted.

Retail Space Availability

Table 3 presents a list of the retail (including restaurant) space available for lease along the corridor in December 2016. This information was obtained from CoStar.

Table 1

Population and Selected Demographic Characteristics for Crenshaw Blvd. Corridor
(base address = 7300 Crenshaw Blvd.)

	2016 (yr. 1)	2019 (yr. 3)	2021 (yr.5)	2025 (yr.10)
Population				
One (1) Mile	35,288	35,691	35,960	36,498
Three (3) Miles	368,853	375,251	379,516	388,046
Five (5) Miles	1,031,892	1,051,684	1,064,878	1,091,267
Households				
One (1) Mile	12,117	12,225	12,297	12,441
Three (3) Miles	119,012	120,686	121,802	124,034
Five (5) Miles	217,944	221,618	224,067	228,965
Average Household Income				
One (1) Mile	\$51,345	\$53,582	\$55,074	\$58,057
Three (3) Miles	\$55,645	\$58,140	\$59,804	\$63,131
Five (5) Miles	\$56,377	\$58,959	\$60,680	\$64,122
Per Capita Income				
One (1) Mile	\$17,946	\$18,665	\$19,145	\$20,104
Three (3) Miles	\$18,279	\$19,016	\$19,507	\$20,489
Five (5) Miles	\$17,346	\$18,054	\$18,526	\$19,470
Median Disposable Income (2016)				
Three (3) Miles	\$34,943			
Five (5) Miles	\$34,354			
Employed Population 16+ By Industry (2016)				
One (1) Mile				
Construction	4.1%			
Finance/Insurance/Real Estate	4.6%			
Manufacturing	4.9%			
Retail Trade	10.4%			
Services	56.1%			
Transportation/Utilities	8.3%			
Other	11.6%			
Total	100.0%			
Three (3) Miles				
Construction	6.1%			
Finance/Insurance/Real Estate	4.8%			
Manufacturing	7.2%			
Retail Trade	10.6%			
Services	53.9%			
Transportation/Utilities	8.2%			
Other	9.2%			
Total	100.0%			
Five (5) Miles				
Construction	6.5%			
Finance/Insurance/Real Estate	4.3%			
Manufacturing	9.9%			
Retail Trade	10.6%			
Services	52.6%			
Transportation/Utilities	7.2%			
Other	8.9%			
Total	100.0%			

Sources: STDB, Appraisal Specialty Report; and, VEDC

Table 2.1 - Three (3) Mile Ring

Retail and Restaurant Leakage for Crenshaw Blvd. Corridor Using Estimated 2016 Data
(base address = 7300 Crenshaw Blvd.)

Retail Categories (selected)	Demand [A] (potential sales)	Supply [B] (reported sales)	Leakage Amt. [C] ([A] - [B])	Leakage % ([C]/[A])	Number of Businesses
Furniture and Home Furnishings					
Furniture	\$58,145,495	\$15,482,324	\$42,663,171	73.4%	27
Home Furnishing	\$44,990,562	\$22,345,913	\$22,644,649	50.3%	28
Electronic and Appliance Stores	\$167,946,196	\$60,609,031	\$107,337,165	177.1%	66
Food and Beverage Stores					
Grocery	\$537,732,528	\$544,009,640	(\$6,277,112)	0.0%	190
Specialty Foods	\$57,891,587	\$25,028,847	\$32,862,740	56.8%	52
Beer, Wine & Liquor	\$30,636,639	\$66,976,542	(\$36,339,903)	0.0%	81
Health and Personal Care Products	\$205,593,040	\$182,092,427	\$23,500,613	12.9%	125
Clothing & Clothing Accessory Stores					
Clothing	\$161,826,414	\$84,073,311	\$77,753,103	48.0%	199
Shoe	\$24,823,972	\$26,000,274	(\$1,176,302)	0.0%	35
Jewelry, Luggage & Leather Goods	\$35,096,844	\$16,441,766	\$18,655,078	53.2%	29
Sporting Goods	\$75,307,768	\$30,912,960	\$44,394,808	59.0%	43
Book, Periodical & Music	\$12,885,341	\$11,921,489	\$963,852	7.5%	25
General Merchandise Stores	\$496,347,432	\$460,962,344	\$35,385,088	7.1%	108
Florists	\$5,722,258	\$4,809,647	\$912,611	15.9%	27
Used Merchandise	\$11,217,577	\$9,720,490	\$1,497,087	13.3%	28
Total Retail Trade	\$3,121,568,528	\$2,438,085,366	\$683,483,162	21.9%	1552
Food Service and Drinking Places					
Full Service Restaurants	\$190,958,229	\$134,952,470	\$56,005,759	29.3%	354
Limited-Service Restaurants	\$136,593,842	\$153,834,520	(\$17,240,678)	0.0%	183
Specialty Food Services	\$7,330,137	\$8,883,742	(\$1,553,605)	0.0%	17
Drinking Places - Alcoholic Beverages	\$6,176,732	\$5,463,798	\$712,934	11.5%	15
Total Food and Drink	\$341,058,940	\$303,134,530	\$37,924,410	11.1%	568

Sources: STDB, Retail Specialty Report and Restaurant Specialty Report; and, VEDC

Table 2.2 - Five (5) Mile Ring

Retail and Restaurant Leakage for Crenshaw Blvd. Corridor Using Estimated 2016 Data
(base address = 7300 Crenshaw Blvd.)

Retail Categories (selected)	Demand [A] (potential sales)	Supply [B] (reported sales)	Leakage Amt. [C] ([A] - [B])	Leakage % ([C]/[A])	Number of Businesses
Furniture and Home Furnishings					
Furniture	\$145,837,167	\$131,277,700	\$14,559,467	10.0%	118
Home Furnishing	\$114,333,286	\$113,394,947	\$938,339	0.8%	107
Electronic and Appliance Stores	\$429,472,837	\$406,537,592	\$22,935,245	5.3%	244
Food and Beverage Stores					
Grocery	\$1,374,455,802	\$1,322,138,041	\$52,317,761	3.8%	584
Specialty Foods	\$148,291,136	\$114,512,801	\$33,778,335	22.8%	179
Beer, Wine & Liquor	\$78,069,409	\$178,507,250	(\$100,437,841)	0.0%	199
Health and Personal Care Products	\$515,660,079	\$489,407,400	\$26,252,679	5.1%	299
Clothing & Clothing Accessory Stores					
Clothing	\$416,927,304	\$639,785,663	(\$222,858,359)	0.0%	584
Shoe	\$64,444,529	\$94,817,977	(\$30,373,448)	0.0%	94
Jewelry, Luggage & Leather Goods	\$90,106,572	\$60,940,108	\$29,166,464	32.4%	72
Sporting Goods	\$195,594,032	\$110,726,272	\$84,867,760	43.4%	146
Book, Periodical & Music	\$33,475,081	\$45,763,064	(\$12,287,983)	0.0%	62
General Merchandise Stores	\$1,265,912,979	\$1,337,804,436	(\$71,891,457)	0.0%	289
Florists	\$14,200,156	\$17,831,323	(\$3,631,167)	0.0%	72
Used Merchandise	\$28,963,041	\$38,679,979	(\$9,716,938)	0.0%	93
Total Retail Trade	\$7,944,032,964	\$8,054,967,085	(\$110,934,121)	0.0%	4559
Food Service and Drinking Places					
Full Service Restaurants	\$491,707,894	\$439,211,824	\$52,496,070	10.7%	1035
Limited-Service Restaurants	\$351,478,674	\$421,383,931	(\$69,905,257)	0.0%	524
Specialty Food Services	\$18,791,653	\$44,371,410	(\$25,579,757)	0.0%	58
Drinking Places - Alcoholic Beverages	\$16,032,854	\$20,700,041	(\$4,667,187)	0.0%	42
Total Food and Drink	\$878,011,075	\$925,667,207	(\$47,656,132)	0.0%	1659

Sources: STDB, Retail Specialty Report and Restaurant Specialty Report; and, VEDC

Table 3

Retail Space Listed As Available for Rent on December 21, 2016

Address	Space (SF)	Asking Rent/SF/Month	Lease Type	Leasing Agent	Contact	Telephone
6645-6649 Crenshaw Blvd.	1,200	\$1.00	Modified Gross	Coldwell Banker Commercial	William Yarbo	310-820-6651
	975	\$1.64	Modified Gross	Coldwell Banker Commercial	William Yarbo	310-820-6651
	1,696	\$1.18	Modified Gross	Coldwell Banker Commercial	William Yarbo	310-820-6651

